GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA

STARRED QUESTION NO:491
ANSWERED ON:28.04.2008
FARM LOANS AT LOWER RATE OF INTEREST
Reddy Shri K. Jayasurya Prakash;Singh Shri Chandra Bhushan

Will the Minister of AGRICULTURE be pleased to state:

(a) whether the consortium of Indian Farmers has requested the Government to extend farm credit at the rate of interest of four percent and also double the agricultural outlay in the plan funds; and

(b) if so, the details thereof alongwith the details regarding the farm credit and agricultural outlay during the last three years?

Answer

MINISTER OF AGRICULTURE (SHRI SHARAD PAWAR)

(a) and (b): A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) AND (b) OF LOK SABHA STARRED QUESTION NO. 491 DUE FOR REPLY ON 28TH APRIL, 2008.

(a): Yes, Sir.

(b): Consortium of Indian Farmers Associations have requested the Government to consider reducing rate of interest on all agricultural loans to 4 percent. They have assessed the total credit requirement for agricultural sector at Rs.10 Lakh Crores. The Consortium of Indian Farmers Associations in their budget proposals for 2008-09 submitted to the Union Finance Minister on 07th January, 2008 have demanded doubling of budget allotments for agriculture and rural development to Rs.24,000 crores.

To reduce the burden of interest on crop loans, the Government has decided to ensure that the farmers receives short-term credit at 7 percent with an upper limit of Rs.3.00 lakhs on the principal amount since 2006-07. For the implementation of the scheme, it has been decided to provide 2 % per annum interest subvention to Public Sector Banks, Regional Rural Banks and Cooperative Banks on their own funds and concessional refinance to Cooperative Banks and Regional Rural Banks. This scheme continues for the year 2007-08 and 2008-09 as well.

Details of target for agriculture credit vis-a-vis achievement during the last three years are given below :

Amt.(Rs. Crore)

Sr. No.	Agency	2004-05		2005-06		2006-07	
		Target	Achievement	Target	Achievement	Target	Achievement
i)	Cooperative Banks	39,000	31,424	38,600	39,786	41,000	42,480
ii)	RRBs	8,500	12,404	15,200	15,223	15,000	20,435
iii)	Commercial Banks	57,000	81,481	87,200	1,25,477	1,19,000	1,66,485
Total		1,04,500	125,309	1,41,000	1,80,486	1,75,000	2,29,400

includes others

Details of Plan outlay of Department of Agriculture & Cooperation during the last three years and BE for 2008-09 are given below:-

(Rs. in crore)

Year	Plan outlay
2005-06	4179.32
2006-07	4800.00
2007-08	5520.00
2008-09	6900.00

An amount of Rs.3165.67 crore for Rashtriya Krishi Vikas Yojana (RKVY) and Rs.40.00 crore for Watershed Development for N.E. States are not included as both are state plans schemes.